

COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

D. C. LAW 2-115

"District of Columbia Consumer Lay Away Plan  
Act of 1978"

Pursuant to Section 412 of the District of Columbia Self-

Government and Governmental Reorganization Act, P. L. 93-198, "the Act",

Council of the District of Columbia adopted Bill No. 2-130, on first

second readings June 13, 1978 and June 27, 1978, respectively.

Following the signature of the Mayor on July 24, 1978, this legislation

was assigned Act No. 2-241, published in the August 25, 1978, edition

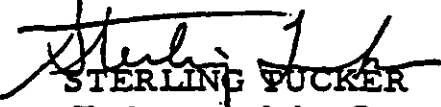
of the D. C. Register, (Vol. 25, page 1997) and transmitted to Congress

for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice

that the 30-day Congressional Review Period has expired, and therefore,

it certifies the following legislation as D. C. Law 2-115, effective October 5, 1978.

  
STERLING TUCKER  
Chairman of the Council

Dates Counted During the 30-Day Congressional Review Period:

AUGUST 7, 8, 9, 10, 11, 14, 15, 16, 17

SEPTEMBER 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28, 29

OCTOBER 2, 3, 4,

AN ACT

2-242

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

July 24, 1978

To eliminate harassment and unfair practices in consumer lay away plans, and for other purposes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the "District of Columbia Consumer Lay Away Plan Act of 1978".

Sec. 2. Chapter 38 of Title 28 of the District of Columbia Code is amended by adding at the end thereof the following new section to read as follows:

"Sec. 28-3818. Lay Away Plans

"DEFINITIONS

"(a) As used in this section the term:

"(1) 'consumer goods' means chattels owned, used or bought by an individual for personal, family or household purposes. The term consumer goods does not include goods acquired for commercial or business use or resale;

"(2) 'lay away plan' means a plan or agreement whereby a seller of consumer goods offers for sale or sells such goods to a buyer on terms which contemplate

completion of three (3) or more agreed payments all of which must be made prior to the release or delivery of such goods.

"DISCLOSURES

"(b) The seller shall, prior to the time of executing a lay away plan agreement, provide the buyer with a copy of a written, clear and conspicuous disclosure. Failure of the seller to comply with this provision shall be deemed an executed trade practice in violation of the law of the District of Columbia for which the penalties in section 6(i)(3) of the District of Columbia Consumer Protection Procedures Act, effective July 22, 1976 (D.C. Law 1-76) shall apply. The disclosure required by this subsection shall include:

"(1) a statement as to the schedule or period of payments to be made by the buyer towards the purchase of consumer goods under a lay away plan;

"(2) a statement that the consumer goods identified in the lay away plan will be retained in stock or set aside from stock but retained by the seller and made available for release or delivery to the buyer upon final payment or within fourteen (14) days after final payment.

"(3) a statement as to the refund and exchange policies and charges restrictive of the seller

ursuant to subsections (c), (d), (f), (g) and (h) of this section to the extent applicable;

"(4) a statement as to the seller's right to deduct late charges as set forth in subsection (g) of this section; and

"(5) a statement that the buyer shall receive from the seller a written statement, upon request, and shall obtain a receipt for any and all payments made towards the purchase of consumer goods under a lay away plan as set forth in subsections (i)(1) and (i)(2) of this section.

"BUYER'S RIGHT TO CANCEL

"(c) The buyer, at his option, has the right to cancel an executed lay away plan within two (2) weeks after entering into the lay away plan and to obtain a full refund of any amount of money paid toward the purchase of consumer goods under the lay away plan. Such refund is payable upon cancellation or within (2) two weeks after cancellation.

"CANCELLATION FEE

"(d) If a buyer notifies a seller of his intention to cancel a purchase of consumer goods under a lay away plan after the expiration of the two (2) week cancellation period set forth in subsection (c) of this section, the seller shall promptly refund the full amount of money paid by the buyer towards the purchase of the consumer goods under the

lay away plan. The seller may, however, retain an amount not to exceed eight percent (8%) of the purchase price of the consumer goods purchased under the lay away plan or sixteen dollars (\$16.00), whichever is less.

"SELLER'S DEFAULT

"(e) If, for any reason, the seller is unable to provide the consumer goods identified in the lay away plan or their exact duplicate to the buyer upon final payment or within fourteen (14) days thereafter, the seller shall refund the entire amount paid by the buyer toward the purchase of such goods under the lay away plan plus eight percent (8%) of the purchase price of the consumer goods purchased under the lay away plan or sixteen dollars (\$16.00), whichever is less.

"CHARGES RESTRICTED

"(f) The seller shall not require a buyer who has executed a lay away plan to pay a charge or fee of any kind on such goods except for those fees pursuant to subsections (d) and (g) of this section to the extent applicable.

"LATE FEE

"(g) If, for any reason, the buyer is unable to make payment in accordance with the terms of a lay away plan, the seller shall send prompt notice informing the buyer of the delinquency in payment. If the seller does not receive payment on the consumer goods identified in the lay away plan within fourteen (14) days after such notice is sent to the buyer, the seller may deduct an amount not to exceed one dollar (\$1.00) from the full amount of money paid by the buyer towards the purchase of such goods under the lay away plan and refund the remaining amount to the buyer.

"ACCELERATION OF PAYMENT PROHIBITED

"(h) The seller shall not accelerate any payments under a lay away plan. The seller shall be entitled to the amount of payments due to date under the lay away plan including those charges pursuant to subsections (d) and (g) of this section to the extent applicable.

"RECEIPT AND STATEMENT OF PAYMENTS

"(i)(1) The seller shall promptly provide the buyer with a receipt for any and all payments made toward the purchase of consumer goods under a lay away plan. If payment is made by mail or by any means other than in person, a receipt shall be provided no later than seven (7) days after a payment is made. Such receipt shall include:

"(A) a description of the consumer goods identified in the lay away plan; and

"(B) the amount and date of such payment.

"(i)(2) The seller, upon request of the buyer, shall provide the buyer, within a reasonable time thereafter, a written statement of any and all payments made toward the purchase of consumer goods under the lay away plan. Such statement shall include:

"(A) a description of the consumer goods identified in the lay away plan;

"(B) the amount and date of any and all payments made to date;

"(C) the total of all payments made to date; and

"(D) the balance of all payments remaining.".

#### ENFORCEMENT

Sec. 3. The District of Columbia Consumer Protection Procedures Act, effective July 22, 1976 (D.C. Law 1-76) is amended as follows:

(a) Section 4(b)(1) of such act is amended as follows:

(1) by amending section 4(b)(1)(C) to read as follows:

25 AUG 1978

"(C) the District of Columbia Consumer Goods Repair Regulation (Regulation 74-3); and";

(2) by adding a new subparagraph (D) at the end thereof to read as follows:

"(D) the District of Columbia Consumer Lay Away Plan Act (D.C. Code, sec. 28-3818);".

(b) Section 5 of such act is amended as follows:

(1) by deleting the period at the end of subsection (x) and inserting in lieu thereof a semicolon;

(2) by adding a new subsection (y) at the end thereof to read as follows:

"(y) violate any provision of the District of Columbia Consumer Lay Away Plan Act (D.C. Code, sec. 28-3818).".

#### SEVERABILITY

Sec. 4. If any provision of this act or application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such provision to other persons not similarly situated or to other circumstances shall not be affected.

#### EFFECTIVE DATE

Sec. 5. This act shall take effect as provided for acts of the Council of the District of Columbia in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act.